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RECORDATION NO. 21546 FILED

JUL 31 '98

1-27 PM

July 31, 1998

Mary A. Oster
Mr. Vernon Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recording with the Surface Transportation Board is a Memorandum of Net Lease Agreement dated 9/2/97 between the following parties:

Lessor: Helm-Pacific Leasing
c/o Helm Pacific Corporation
One Embarcadero Center
San Francisco, CA 94111

Lessee: Lonestar Industries, Inc.
14900 Intracoastal Drive
New Orleans, LA 70129

The equipment included in this transaction is listed on Schedule A to the agreement.

Please record this agreement as a primary document. The filing fee of \$26 is enclosed.

Thank you for your assistance.

Sincerely,

Mary A. Oster

Mary Ann Oster
Research Consultant

Enclosures

RECEIVED
SURFACE TRANSPORTATION
BOARD
JUL 31 1 27 PM '98

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1-27 PM

MEMORANDUM OF
NET LEASE AGREEMENT

THIS MEMORANDUM OF NET LEASE AGREEMENT ("Memorandum") is made as of September 2, 1997 and is intended to evidence that certain Net Lease Agreement dated as of September 2, 1997 ("Lease") between HELM-PACIFIC LEASING, a Nebraska joint venture ("Lessor"), and LONESTAR INDUSTRIES, INC., a Delaware corporation ("Lessee"), for the purpose of satisfying the requirements of recordation with the Surface Transportation Board of the Department of Transportation under Section 49 of U.S.C. 11301. Lessor has the right to lease the rail equipment, more fully described in Schedule A hereto ("Units"). Lessee leased from Lessor the Units at the Rent and upon the terms and conditions provided in the Lease.

The Lease and the Units cannot be assigned, subleased or in any way encumbered without the prior written consent of Lessor. Lessee has granted a security interest unto Lessor in and to any and all Payments, as such term is defined in the Lease, including, without limitation, any and all Rent and other Payments pursuant to any sublease of the Units. In the Event of Default, as such term is defined in the Lease, Lessee assigns any and all subleases to Lessor.

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum to be executed by their duly authorized representative as of the day and year first above written.

LESSOR

HELM-PACIFIC LEASING

By: Helm Pacific Corporation,
its Joint Venturer


LESSEE

LONESTAR INDUSTRIES, INC.

CM By: 

Print Name: David R. Eckles

Title: President

By: 

Print Name: J. Gregory HaygoodTitle: Mgr. of Distribution

By: Union Pacific Venture
Leasing, Inc.,
its Joint Venturer

By: 

Print Name: Eric L. Butler

Title: President

SCHEDULE A
TO THE MEMORANDUM OF LEASE

THE UNITS

Equipment Description

Twenty-five (25), 2,950-2,980 c.f., 100-ton capacity, two-compartment covered hopper railcars built 1967-1981:

Reporting Mark & Numbers:

HPJX 705770, 705966, 706001, 706008, 706017, 706059, 706066, 706090,
706099, 706560, 706635, 706663, 706703, 706714, 706723, 706724,
706752, 706797, 706809, 706886, 706894, 706910, 706927, 706960,
706994.

STATE OF CALIFORNIA)
) S.S.
COUNTY OF SAN FRANCISCO)

On July 27, 1998, before me, Emma S. Ortega personally
appeared David R. Eckles, President of HELM PACIFIC CORPORATION,

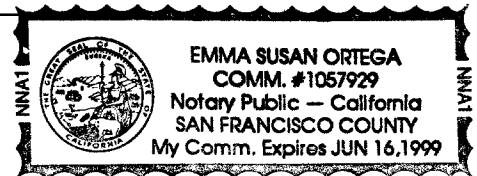
☒ personally known to me -OR-

— proved to me on the basis of satisfactory evidence to be the person(s)
whose name(s) is/are subscribed to the within instrument and acknowledged
to me that he/she/they executed the same in his/her/their authorized
capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) acted,
executed the instrument.

Witness my hand and official seal.

(Notarial Seal)

Emma Susan Ortega
SIGNATURE OF THE NOTARY



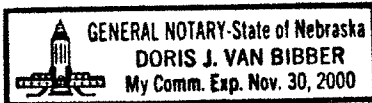
STATE OF NEBRASKA)
) S.S.
COUNTY OF DOUGLAS)

On July 22, 1998, before me, Doris J. Van Bibber, personally
appeared Eric L. Butler, President of UNION PACIFIC VENTURE LEASING, INC.,

☒ personally known to me -OR-

— proved to me on the basis of satisfactory evidence to be the person(s)
whose name(s) is/are subscribed to the within instrument and acknowledged
to me that he/she/they executed the same in his/her/their authorized
capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) acted,
executed the instrument.

Witness my hand and official seal.



[Notarial Seal]

Doris J. Van Bibber
SIGNATURE OF THE NOTARY

cm

STATE OF Louisiana)
) S.S.
COUNTY OF Orleans)

On July 8, 1998, before me, Karl J. Kirchberg, personally appeared
J. Gregory Haggood, Manager of Distribution of LONESTAR INDUSTRIES, INC.,

— personally known to me -OR-

X proved to me on the basis of satisfactory evidence to be the person(s)
whose name(s) is/are subscribed to the within instrument and acknowledged
to me that he/she/they executed the same in his/her/their authorized
capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) acted,
executed the instrument.

Witness my hand and official seal.



SIGNATURE OF THE NOTARY

[Notarial Seal]